

BEFORE  
THE PUBLIC SERVICE COMMISSION OF  
SOUTH CAROLINA  
DOCKET NO. 2007-413-C - ORDER NO. 2008-439  
JUNE 17, 2008

IN RE: Application of Broadview Networks, Inc. for	)	ORDER GRANTING
a Certificate of Public Convenience and	)	CERTIFICATE AND
Necessity to Provide Resold and Facilities-	)	APPROVING MODIFIED
Based Interexchange Telecommunications	)	ALTERNATIVE
Services in the State of South Carolina and	)	REGULATION
for Alternative Regulation	)	

This matter comes before the Public Service Commission of South Carolina (“Commission”) by way of the Application of Broadview Networks, Inc. (“Broadview” or the “Company”) requesting a Certificate of Public Convenience and Necessity authorizing it to provide resold and facilities-based interexchange telecommunications services within the State of South Carolina. The Company’s Application was filed pursuant to S.C. Code Ann. §58-9-280 (Supp. 2007) and the rules and regulations of the Commission. By its Application, Broadview also requests alternative regulation of its business interexchange services consistent with Commission Orders, and waiver of certain Commission regulations.

The Commission’s Docketing Department instructed Broadview to publish, one time, a Notice of Filing in newspapers of general circulation in the areas of the state affected by the Application. The purpose of the Notice of Filing was to inform interested parties of the Application of Broadview and of the manner and time in which to file the

appropriate pleadings for participation in the proceeding. Broadview complied with this instruction and provided the Commission with proof of publication of the Notice of Filing. No Protests or Petitions to Intervene were filed. Subsequently, Broadview and the Office of Regulatory Staff (“ORS”) filed a Settlement Agreement attached hereto as Order Exhibit 1. A hearing was convened on March 3, 2008, at 10:00 a.m. in the offices of the Commission in Columbia, South Carolina, before David Butler, Hearing Examiner. Broadview was represented by John J. Pringle, Jr., Esquire. The Office of Regulatory Staff (“ORS”) was represented by C. Lessie Hammonds, Esquire.

Charles C. Hunter, Executive Vice President, Secretary, and General Counsel, testified in support of the Company’s Application. The record reveals that Broadview is a corporation organized under the laws of the State of New York and that it is registered to transact business in South Carolina as a foreign corporation. According to Mr. Hunter, the Company seeks authority as a reseller and facilities-based provider of interexchange services. Mr. Hunter explained the Company’s request for authority, and the record further reveals the Company’s services, operations, and marketing procedures. The Company intends to primarily offer services to business customers. Mr. Hunter also discussed Broadview’s technical, financial, and managerial resources to provide the services for which it seeks authority. Mr. Hunter offered that Broadview possesses sufficient financial resources to support its operations in South Carolina.

With regard to management and technical capabilities, the Company’s Application and Mr. Hunter’s testimony both evidence that Broadview’s management has extensive experience in telecommunications, information technology, regulatory matters,

accounting, and finance. Mr. Hunter also testified that Broadview will operate in accordance with Commission rules, regulations, guidelines, and Commission Orders. Mr. Hunter offered that approval of Broadview's Application would serve the public interest.

Mr. Hunter, on behalf of the Company, requests a waiver of 26 S.C. Code Ann. Regs. 103-610, since the Company's books are maintained in New York. Further, the Company requests an exemption from record keeping policies that require maintenance of financial records in conformance with the Uniform System of Accounts ("USOA"). Broadview maintains its books in accordance with Generally Accepted Accounting Principles ("GAAP"). In addition, the Company requests that it not be required to publish local exchange directories and therefore requests waiver of 26 S.C. Code Ann. Regs. 103-631. Also, Broadview requests waiver of 103-612.2.3, which requires the filing of operating area maps.

After consideration of the applicable law, the Company's Application, and the evidence presented at the hearing, the Commission hereby issues its findings of fact and conclusions of law:

#### **FINDINGS OF FACT**

1. Broadview is organized as a corporation under the laws of the State of New York, and is authorized to do business as a foreign corporation in South Carolina by the Secretary of State.

2. Broadview desires to operate as a provider of resold and facilities-based interexchange services in South Carolina.

3 We find that Broadview possesses the managerial experience and capability to operate as a facilities-based and resale provider of interexchange services in South Carolina.

4 We find, based on the financial statements submitted by the Company and the testimony at the hearing, that Broadview possesses sufficient financial resources to provide the services as described in its Application and testimony.

5 We find that the issuance of a Certificate of Public Convenience and Necessity to Broadview to operate as a facilities-based and reseller of interexchange services in South Carolina would be in the best interest of the citizens of South Carolina by providing more innovative services.

6 Broadview requests a waiver of 26 S.C. Code Ann. Regs. 103-610. The Commission finds Broadview's requested waiver reasonable and understands the potential difficulty presented to Broadview should the waiver not be granted. Further, we find that a waiver of 26 S.C. Code Ann. Regs. 103-610 to be in the public interest. We also believe that exemption from the policies that would require the Company to keep its records under the USOA is reasonable. Additionally we find that a waiver of 26 S.C. Code Ann. Regs. 103-631 and 103-612.2.3 is reasonable and in the public interest.

7 The Company has the managerial, technical, and financial resources to provide the services as described in its Application.

**CONCLUSIONS OF LAW**

1. The Commission concludes that Broadview possesses the managerial, technical, and financial resources to provide the telecommunications services as described in its Application.

2. The Commission concludes that Broadview will participate in the support of universally available telephone service at affordable rates to the extent that Broadview may be required to do so by the Commission.

3. The Commission concludes that Broadview will provide services which will meet the service standards of the Commission.

4. The Commission concludes that approval of Broadview's Application to provide intrastate telecommunications services within South Carolina will serve the public interest by providing for efficient use of existing telecommunications resources.

5. The Commission concludes that the provision of telecommunications service by Broadview will not adversely impact the public interest.

6. The Commission concludes that the issuance of the authority to provide intrastate interexchange telecommunications services as requested by Broadview and as set forth in its Application and Mr. Hunter's testimony is in the best interests of the citizens of the State of South Carolina.

7. The Commission concludes that a Certificate of Public Convenience and Necessity should be granted to Broadview to provide resold and facilities-based intrastate interexchange telecommunications services.

8 The Commission adopts a rate design for Broadview for its residential interexchange services which include maximum rate levels for each tariff charge. A rate structure incorporating maximum rate levels with the flexibility for adjustment below the maximum rate levels has been previously adopted by the Commission. *In Re: Application of GTE Sprint Communications Corporation, etc.*, Order No. 84-622, issued in Docket No. 84-10-C (August 2, 1984).

9 Broadview shall not adjust its residential interexchange rates for end-users below the approved maximum level without notice to the Commission and to the public. Broadview shall file its proposed rate changes, publish its notice of such changes, and file affidavits of publication with the Commission two weeks prior to the effective date of the changes. However, the public notice requirement is waived, and therefore not required, for reductions below the maximum cap in instances which do not affect the general body of subscribers or do not constitute a general rate reduction. *In Re: Application of GTE Sprint Communications, etc.*, Order No. 93-638, issued in Docket No. 84-10-C (July 16, 1993). Any proposed increase in the maximum rate level for residential interexchange services reflected in the tariff which would be applicable to the general body of the Company's subscribers shall constitute a general ratemaking proceeding and will be treated in accordance with the notice and hearing provisions of S.C. Code Ann. §58-9-540 (Supp.2007).

10. The Commission concludes that Broadview's intrastate interexchange business telecommunications services shall be regulated in accordance with the principles and procedures established for alternative regulation of business service offerings set out

in Order Nos. 95-1734 and 96-55 in Docket No. 95-661-C. The Commission has previously granted this “alternative regulation” to competitive intrastate interexchange carriers operating within South Carolina, and the Commission concludes that the competitive marketplace requires the Commission to allow this flexible regulation to those carriers which request it. Specifically, the Commission-approved alternative regulation allows business service offerings, including consumer card services and operator services, to be subject to a relaxed regulatory scheme identical to that granted to AT&T Communications in Order Nos. 95-1734 and 96-55 in Docket No. 95-661-C.

However, pursuant to Order No. 2001-997 (Docket No. 2000-407-C), this Commission has modified alternative regulation by the re-imposition of rate caps with regard to certain “operator-assisted calls” where a customer uses a local exchange carrier’s calling card to complete calls from locations which have not selected that local exchange carrier as the toll provider. Order No. 2001-997, dated November 8, 2001, imposed a maximum cap of \$1.75 for operator surcharges for such calls, and a maximum cap of \$0.35 related to the flat per-minute rate associated with these calls. Under this relaxed regulatory scheme, tariff filings for business services shall be presumed valid upon filing.

If an investigation of a particular tariff filing is instituted within seven days of the filing date, the tariff filing will then be suspended until further Order of the Commission. If an investigation is instituted on a particular tariff filing, notice of the investigation will be provided to the person or entity making the tariff filing and to the Commission. The notice is timely if dated within seven days of the filing date.

11. We conclude that Broadview's request for waiver of 26 S.C. Code Ann. Regs. 103-610 should be granted, since strict compliance with the regulation potentially causes undue hardship on that Company. We also grant exemption from the policies requiring the use of USOA. In addition, we grant waiver of 26 S.C. Code Ann. Regs. 103-631, which requires publication of a local telephone directory, and 26 S.C. Code Ann. Regs. 103-612.2.3, which requires the filing of operating area maps.

12. The Settlement Agreement between the parties should be approved.

IT IS THEREFORE ORDERED, ADJUDGED, AND DECREED THAT:

1. A Certificate of Public Convenience and Necessity should be granted to Broadview to provide intrastate interexchange service as a facilities-based carrier or through the resale of services authorized for resale by tariffs of carriers approved by the Commission.

2. The Company's rate designs for its products shall conform to those designs described in Conclusions of Law above.

3. If it has not already done so by the date of issuance of this Order, Broadview shall file its revised tariff, if any, and an accompanying price list for any applicable rates within thirty (30) days of receipt of this Order. The revised tariff should be electronically filed in a text searchable PDF format using the Commission's DMS System (<http://dms.psc.sc.gov>). An additional copy should be sent via email to [etariff@psc.sc.gov](mailto:etariff@psc.sc.gov) to be included in the Commission's ETariff System (<http://etariff.psc.sc.gov>). Future revisions to the tariff should be made using the ETariff System. The filed tariff shall be consistent with the findings of this Order and shall be



consistent with the Commission's Rules and Regulations, as well as the provisions of the Broadview-ORS Settlement Agreement.

4. The Company's service is subject to access charges pursuant to Commission Order No. 86-584, in which the Commission determined that for access purposes resellers and facilities-based interexchange carriers should be treated similarly.

5. With regard to the Company's resale of service, an end-user should be able to access another interexchange carrier or operator service provider if the end-user so desires.

6. Broadview shall resell the services of only those interexchange carriers or LECs authorized to do business in South Carolina by this Commission. If Broadview changes underlying carriers, it shall notify the Commission in writing.

7. With regard to the origination and termination of toll calls within the same LATA, Broadview shall comply with the terms of Order No. 93-462, Order Approving Stipulation and Agreement, in Docket Nos. 92-182-C, 92-183-C, and 92-200-C (June 3, 1993), with the exception of the 10-XXX intraLATA dialing requirement, which has been rendered obsolete by the toll dialing parity rules established by the FCC pursuant to the Telecommunications Act of 1996 (47 C.F.R. § 51.209). Specifically, Broadview shall comply with the imputation standard as adopted by Order No. 93-462 and more fully described in paragraph 4 of the Stipulation and Appendix B approved by Order No. 93-462.

8. Broadview shall file annual financial information in the form of annual reports and gross receipts reports as required by the Commission. The annual report and

the gross receipt report will necessitate the filing of intrastate information. Therefore, Broadview shall keep financial records on an intrastate basis for South Carolina to comply with the annual report and gross receipts filings. The proper form for filing annual financial information can be found at the ORS's website at [www.regulatorystaff.sc.gov](http://www.regulatorystaff.sc.gov). The title of this form is "Telecommunications Company Annual Report." This form shall be utilized by the Company to file annual financial information with the Commission and ORS and shall be filed no later than **April 1<sup>st</sup>**.

Commission gross receipts forms are due to be filed with the Commission and ORS no later than **August 31<sup>st</sup>** of each year. The proper form for filing gross receipts information can be found at the ORS's website at [www.regulatorystaff.sc.gov](http://www.regulatorystaff.sc.gov), and the appropriate form is entitled "Gross Receipts Form."

Each telecommunications company certified in South Carolina is required to file annually with the ORS the Intrastate Universal Service Fund ("USF") worksheet, which may be found on the ORS's website at [www.regulatorystaff.sc.gov](http://www.regulatorystaff.sc.gov). This worksheet provides ORS information required to determine each telecommunications company's liability to the State USF fund. The Intrastate USF worksheet is due to be filed annually no later than **July 1<sup>st</sup>** with the Commission and ORS.

9. The Company shall, in compliance with Commission regulations, designate and maintain an authorized utility representative who is prepared to discuss, on a regulatory level, customer relations (complaint) matters, engineering operations, tests, and repairs. In addition, the Company shall provide to the Commission and ORS in writing the name of the authorized representative to be contacted in connection with

general management duties as well as emergencies which occur during non-office hours. Broadview shall file the names, addresses, and telephone numbers of these representatives with the Commission within thirty (30) days of receipt of this Order. The "Authorized Utility Representative Information" form can be found at the Commission's website at [www.psc.sc.gov/forMr.asp](http://www.psc.sc.gov/forMr.asp); this form shall be utilized for the provision of this information to the Commission and ORS. Further, the Company shall promptly notify the Commission and ORS in writing if the representatives are replaced.

10. The Company is directed to comply with all Rules and Regulations of the Commission, unless a regulation is specifically waived by the Commission.

11. At the hearing, Broadview requested a waiver of 26 Code Ann. Regs. 103-610 (Supp. 2007), which requires that records required by the Commission's Rules and Regulations be maintained in South Carolina. The Commission finds Broadview's requested waiver reasonable and understands the potential difficulty presented to Broadview should the waiver not be granted. The Commission therefore grants the requested waiver. However, Broadview shall make available its books and records at all reasonable times upon request by the Office of Regulatory Staff, and Broadview shall promptly notify the Commission and ORS if the location of its books and records changes.

12. Broadview also requests that it be exempt from record keeping policies that require a carrier to maintain its financial records in conformance with the Uniform System of Accounts. The USOA was developed by the FCC as a means of regulating telecommunications companies subject to rate base regulation. As a competitive carrier,

Broadview maintains its book of accounts in accordance with Generally Accepted Accounting Principles. GAAP is used extensively by interexchange carriers and other competitive telecommunications carriers. Accordingly, Broadview requests an exemption from the USOA requirements. We grant the Company's request for the reasons stated above, as well as waivers of 26 S.C. Code Ann. Regs. 103-631 and 103-612.2.3.

13. The Settlement Agreement between the parties is hereby approved.

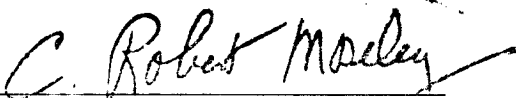
14. This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:



G. O'Neal Hamilton, Chairman

ATTEST:



C. Robert Moseley, Vice Chairman

(SEAL )

**BEFORE**  
  
**THE PUBLIC SERVICE COMMISSION OF**  
  
**SOUTH CAROLINA**  
  
**DOCKET NO. 2007-413-C**

<b>In Re:</b>	)	
<b>Application of Broadview Networks, Inc.</b>	)	
<b>for a Certificate of Public Convenience</b>	)	
<b>And Necessity to Provide Resold and</b>	)	<b>SETTLEMENT AGREEMENT</b>
<b>Facilities Based Interexchange</b>	)	
<b>Telecommunications Services in the</b>	)	
<b>State of South Carolina.</b>	)	
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This Settlement Agreement (“Settlement Agreement”) is made by and among the Office of Regulatory Staff (“ORS”) and Broadview Networks, Inc. (“Broadview” or “the Company”) (collectively referred to as the “Parties” or sometimes individually as “Party”);

WHEREAS, on November 15, 2007, Broadview Networks, Inc. filed its Application requesting (i) a Certificate of Public Convenience and Necessity be granted authorizing the Company to provide resold and facilities-based interexchange telecommunications services throughout the State of South Carolina; (ii) alternative regulation of its interexchange business services consistent with Orders 95-1734 and 96-55 in Docket No. 95-661-C as modified by Order No. 2001-997 in Docket No. 2000-407-C; (iii) waiver of certain regulations of the Public Service Commission of South Carolina (“Commission”), specifically Regulation 103-610 regarding location of records; and (iv) a waiver of Regulation 103-612.2.3 regarding operating area maps;

WHEREAS on November 30, 2007, the Commission issued a Notice of Filing and Hearing and established a return date of December 31, 2007, for the filing of letters of protest or

petitions to intervene and established a hearing date of March 3, 2008 for the application to be heard before a hearing examiner;

WHEREAS, on January 3, 2008, counsel for ORS entered a Revised Notice of Appearance in this matter;

WHEREAS, on December 13, 2007, the Commission issued its Order No. 2007-843 by which the Commission appointed David Butler, Esquire as the Hearing Examiner in this matter;

WHEREAS, on January 22, 2008, the Company pre-filed the direct testimony of Charles C. Hunter with the Commission;

WHEREAS, on February 14, 2008, the Company filed revised tariffs and an amendment to include a request of waivers of Regulation 103-631 and any Commission rule that requires that books and records be kept according to the Uniform System of Accounts ("USOA").

WHEREAS, the purpose of this proceeding is to review the application filed by Broadview Networks, Inc. and its requests (i) for a Certificate of Public Convenience and Necessity to provide facilities-based and resold interexchange telecommunications services within the State of South Carolina; (ii) for alternative regulation of its interexchange business services, consumer card services, operator services, and private line services consistent with Orders 95-1734 and 96-55 in Docket No. 95-661-C as modified by Order No. 2001-997 in Docket No. 2000-407-C; (iii) for waiver of certain of the Commission Regulations, specifically Regulations 103-610 regarding location of records, (iv) 103-612.2.3 concerning operating area maps, (v) 103-631 regarding directories, and (vi) any regulation or rule that requires that books and records be kept according to the Uniform System of Accounts ("USOA");

WHEREAS, since the filing of the notice, ORS has conducted a review of the technical, managerial, and financial expertise of the Company to provide the services requested in the Application;

WHEREAS, ORS has reviewed the Application and the financial data provided by Broadview Networks, Inc., and ORS has calculated certain performance ratios based upon information provided by the Company;

WHEREAS, ORS has investigated the services to be offered by Broadview Networks, Inc. and its intended customer service plans;

WHEREAS, ORS has reviewed the proposed tariffs submitted by the Company;

WHEREAS, ORS has reviewed the prefiled testimony of Charles C. Hunter;

WHEREAS, as a result of its investigations, ORS has determined (a) Broadview Networks, Inc. intends to offer resold and facilities-based long-distance telecommunications services such as switched outbound ("1 +" dialing), toll-free service, directory assistance services, and operator services; (b) the officers of the Company possess sufficient technical and managerial abilities to adequately provide the services applied for; (c) based upon the information provided and the analysis performed, Broadview Networks, Inc. appears to have access to sufficient financial resources necessary to provide the services proposed in its application; (d) the Company's revised tariffs as filed on February 14, 2008 comply with Commission statutes and regulations; (e) the Company agrees that the services to be provided by Broadview Networks, Inc. will meet the service standards required by the Commission; (f) the provision of services by Broadview Networks, Inc. will not adversely impact the availability of affordable telecommunications services; (g) to the extent it is required to do so by the Commission, the Company will participate in the support of universally available telephone

service at affordable rates; and (h) the provision of interexchange services by Broadview Networks, Inc. will not adversely impact the public interest;

WHEREAS, to ensure compliance with the Commission's statutes and regulations, the Parties have agreed to the following comprehensive settlement of all issues in this docket;

WHEREFORE, in the spirit of compromise, the Parties hereby stipulate and agree to the following terms and conditions:

1) The Parties agree that Broadview's Application, exhibits to the Application and amended Application are incorporated into this Settlement Agreement and made a part hereof;

2) The Parties agree to stipulate into the record before the Commission this Settlement Agreement. The Parties also agree to stipulate to the pre-filed testimony of the Company's witness Charles C. Hunter without cross-examination by ORS;

3) Broadview Networks, Inc. has submitted financial data, which was provided as Exhibit D to the Company's Application and which financial data is incorporated by reference;

4) The Parties agree that Broadview Networks, Inc. should be granted a Certificate of Public Convenience and Necessity to provide facilities-based and resold interexchange telecommunications services within the state of South Carolina;

5) The Company has requested a waiver of 26 S.C. Code Ann. Regs. 103-610 concerning the location of books and records. However, S.C. Code Ann. §58-9-380 (Supp. 2006) provides that:

Each telephone utility shall have an office in one of the counties of this State in which its property or some part thereof is located and shall keep in such office all such books, accounts, papers and records as shall reasonably be required by the Office of Regulatory Staff. No books, accounts, papers or records required by the ORS to be kept within the State shall be removed at any time from the State except upon such conditions as may be prescribed by the Office of Regulatory Staff.



ORS is agreeable to allowing Broadview Networks, Inc. to maintain its books and records outside of the State of South Carolina in exchange for Broadview Networks, Inc. agreeing to provide access to ORS to its books and records. ORS is agreeable to the Company maintaining its books and records at its principal offices in the State of New York, and Broadview Networks, Inc. agrees to notify the ORS of any change in the location of the principal office or in the location where the books and records are maintained. This provision of the Settlement Agreement shall not be construed as a waiver by ORS of S.C. Code Ann. § 58-4-55 (Supp. 2006) or § 58-9-1070 (Supp. 2006). ORS expressly reserves its rights to require the production of books, records and other information located within or outside of the State of South Carolina in order to carry out its duties and compliance with any state or federal regulation;

6) ORS does not oppose the Company's request for waiver of 26 S.C. Code Ann. Regs. 103-612.2.3 which requires the filing of operating area maps;

7) ORS does not oppose the Company's request for waiver of 26 S.C. Code Ann. Regs. 103-631 which requires the publishing of directories;

8) ORS does not oppose the Company's request for waiver of any requirement to keep its books and records according to the Uniform System of Accounts ("USOA");

9) The Company acknowledges that S.C. Code Ann. § 58-9-340 (Supp. 2006) provides that the ORS may, in its discretion and subject to the approval of the Commission, prescribe systems of accounts to be kept by telephone utilities subject to the commission's jurisdiction and that the ORS may prescribe the manner in which the accounts shall be kept and may require every telephone utility to keep its books, papers, and records accurately and faithfully according to the system of accounts as prescribed by the ORS. The Company agrees to keep its books, papers, and records in such a manner that permits ORS to audit its revenues and expenses for

compliance with programs such as but not limited to the Universal Service Fund ("USF") and the Interim LEC Fund, dual party relay service fund, and gross receipts. Broadview Networks, Inc. agrees to complete the reporting forms for such programs as, but not limited to, USF, dual party relay service fund, Interim LEC, and gross receipts as may be required by the ORS of telecommunications companies certificated to operate within South Carolina and as the reporting forms may be amended from time to time;

10) ORS does not oppose Broadview Networks, Inc.'s requests for alternative regulation of its interexchange business services, consumer card services, operator services, and private line service offerings consistent with the procedures described and set forth in Orders 95-1734 and 96-55 in Docket No. 95-661-C as modified by Order No. 2001-997 in Docket No. 2000-407-C, specifically (i) regulation of these services listed above in the same manner as these services are regulated of AT&T Communications of the Southern States, Inc., (ii) removal of the maximum rate tariff requirements for Broadview Networks, Inc.'s business services, private line, and customer network-type offerings, except in instances governed by Order No. 2001-997 which reinstituted maximum rates for surcharges and rates associated with certain intrastate operator-assisted calls; (iii) presumptively valid tariff filings for these interexchange services unless an investigation of a particular filing is instituted within seven (7) days, in which case the tariff filing will be suspended until resolution of the investigation or until further order of the Commission; and (iv) grant Broadview Networks, Inc. the same treatment as AT&T Communications of the Southern States, Inc. in connection with any future relaxation of reporting requirements;

11) The Company agrees to resell the services only of those interexchange carriers authorized to do business in South Carolina by the Commission;

12) Broadview Networks, Inc. agrees that it will allow an end-user of resold services to access an alternative interexchange carrier or operator service provider if the end-user expresses such a desire;

13) Broadview Networks, Inc. agrees to file necessary financial, and other, information with the Commission and ORS for universal service fund reporting, dual party relay service fund reporting, interim LEC fund reporting, annual reporting, gross receipts reporting, and/or any other reporting which may now or in the future be applicable to telecommunications providers such as Broadview Networks, Inc.. The Parties agree that such reports shall be filed pursuant to ORS' instructions and monies shall be remitted in accordance with the directions of the ORS and the Commission.

14) The Company agrees to maintain its books and records in a manner that would permit ORS to examine any of the Company's reports filed with the Commission and provided to ORS.

15) Broadview Networks, Inc. agrees to file with the Commission and ORS a completed authorized utility representative forms within thirty (30) days of the Commission's order.

16) In the event that Broadview Networks, Inc. offers prepaid calling card services in the future, the Company agrees that it shall post a surety bond in the amount of \$5,000 as required by the Commission;

17) In the event that Broadview Networks, Inc. offers long distance services to end users, Broadview Networks, Inc. agrees to comply with the verification regulations governing change of preferred carriers as established by Federal Communications Commission ("FCC"). In addition, in the event that Broadview Networks, Inc. offers long distance services to end users,

the Company agrees to comply with the marketing practices and guidelines established by the Commission in Order No. 95-658;

18) Broadview Networks, Inc. agrees to comply with S.C. Code Ann. § 58-9-300 entitled "Abandonment of Service." Additionally, to the extent applicable, the Company agrees to adhere to the FCC's rule 47 C.F.R. § 64.1190 and 64.1130 regarding preferred carrier freezes and the requirement that the form of the written authorization for the institution of the freeze be a separate or easily separable document. Prior to abandonment of service, the Company shall remove any preferred carrier freeze so as to enable consumers to seamlessly transfer their telephone numbers to another provider;

19) The Company agrees to comply with all rules and regulations of the Commission unless the Commission has expressly waived such rule or regulation;

20) ORS is charged by law with the duty to represent the public interest of South Carolina pursuant to S.C. Code § 58-4-10 (B). S.C. Code § 58-4-10(B)(1) through (3) read in part as follows:

... 'public interest' means a balancing of the following:

- (1) concerns of the using and consuming public with respect to public utility services, regardless of the class of customer;
- (2) economic development and job attraction and retention in South Carolina; and
- (3) preservation of the financial integrity of the State's public utilities and continued investment in and maintenance of utility facilities so as to provide reliable and high quality utility services.

ORS believes the Settlement Agreement reached among the Parties serves the public interest as defined above;

21) The Parties agree to advocate that the Commission accept and approve this Settlement Agreement in its entirety as a fair, reasonable and full resolution of all issues in the above-captioned proceeding and that the Commission take no action inconsistent with its adoption. The Parties further agree to cooperate in good faith with one another in recommending to the Commission that this Settlement Agreement be accepted and approved by the Commission. The Parties agree to use reasonable efforts to defend and support any Commission order issued approving this Settlement Agreement and the terms and conditions contained herein.

22) The Parties agree that signing this Settlement Agreement will not constrain, inhibit, impair or prejudice their arguments or positions held in other collateral proceedings, nor will it constitute a precedent or evidence of acceptable practice in future proceedings. If the Commission declines to approve the Settlement Agreement in its entirety, then any Party desiring to do so may withdraw from the Settlement Agreement in its entirety without penalty or obligation.

23) This Settlement Agreement shall be interpreted according to South Carolina law.

24) The above terms and conditions fully represent the agreement of the Parties hereto. Therefore, each Party acknowledges its consent and agreement to this Settlement Agreement by affixing its signature or by authorizing counsel to affix his or her signature to this document where indicated below. Counsel's signature represents his or her representation that his or her client has authorized the execution of the agreement. Facsimile signatures and email signatures shall be as effective as original signatures to bind any party. This document may be signed in counterparts, with the original signature pages combined with the body of the document constituting an original and provable copy of this Settlement Agreement. The Parties

agree that in the event any Party should fail to indicate its consent to this Settlement Agreement and the terms contained herein, then this Settlement Agreement shall be null and void and will not be binding on any Party.

WE AGREE:

**Representing the Office of Regulatory Staff**

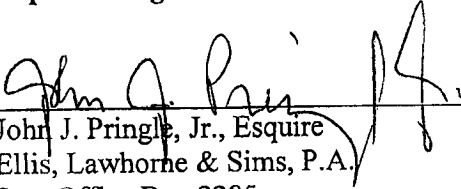
C. L. He

C. Lessie Hammonds, Esquire  
Office of Regulatory Staff  
1441 Main Street, Suite 300  
Columbia, SC 29201  
Telephone: (803) 737-0803  
Fax: (803) 737-0895  
Email: lhammon@regstaff.sc.gov

02/27/08  
Date

WE AGREE:

**Representing Broadview Networks, Inc.**

  
\_\_\_\_\_  
John J. Pringle, Jr., Esquire  
Ellis, Lawhorne & Sims, P.A.  
Post Office Box 2285  
Columbia, SC 29202  
Telephone: (803) 343-1270  
Fax: (803) 799-8479  
Email: [jpringle@ellislawhorne.com](mailto:jpringle@ellislawhorne.com)

2/27/08  
Date